

July 10, 2006

Srikanth Ganapavarapu

Federal Trade Commission
Office of the Secretary,
Room H-135 (Annex W),
600 Pennsylvania Avenue, NW,
Washington, DC 20580

Reference: **Business Opportunity Rule, Matter No. R511993**

Dear Sir / Madam,

We, I and my wife (Neeraja Mudagouni), have been Quixtar IBOs since August 2002. The returns from this business have exceeded our expectations, by far. We targeted achieving Platinum (25%) IBO level within first 5 years and we actually achieved it this year i.e. within 4 years. Our goal for coming fiscal year i.e. Sep 2006 - Aug 2007 is to help at least 3 more couples in our organization to achieve Platinum IBO level as well as help several others reach different levels they desire. Also, we would be working towards achieving Ruby level this fiscal year.

We're thankful for Quixtar IBO business because, it allows me to be professionally employed and still own & operate our own this business at flexible times. Also, it allows my wife not to go to work leaving our son at day care center. One of our core value has been to raise our children ourselves and that is being satisfied without loosing on earning potential because, we are in Quixtar business. Also, this business has provided a vehicle for our family to think in one direction and most important, play a positively impacting role on our friends, and relatives families - both here and internationally. We have greater hope, desire in achieving higher levels in our life and that gives us the internal drive that every human being should have for leading a healthy, peaceful, content, and happy life.

When we were sponsored, our sponsors - Pala, Prasanth and Ranjani have provided us good information and time. We saw the business opportunity at their house at 5pm on Sunday 4th August 2002 and we were actually registered by them on Monday 12th August 2002. During this time, we attended one free 1 hr seminar on August 6th (at Double Tree Hotel, San Jose) that helped us understand marketing and compensation plan better. The Palas also helped us with a \$10 invitation to a 4 hr (6pm-10pm) meeting on August 10th 2002 where additional information was provided on the system of support, potential challenges in doing business, how to educate & prepare to overcome them etc. I would say, we're sponsored - apart from the business potential and belief in ourselves - primarily, because of the trust we developed with Palas in their willingness to allow us to make an informed decision. Had they forced us, we would have been apprehensive about being in this venture - for it is to fear/doubt when pressured by others to spend/invest \$ is human nature.

That experience allowed me to understand that, this business is best built by earning people's trust and that's possible only when I give them all the information (there by assuring them of the step they take) and the time they need to make the decision. We follow the same procedure. Some prospects are fast - they go through information from us and other sources and get back within 5 days - where as, some take 2 weeks and some of them took almost 2 months. This registration process is prospect's choice - so, we allow all the time, information they need to come on-board working with us.

Our potential business associates know that, this is a "not" a "get rich quick" scheme. That is essential for us to disclose during business plan presentation - otherwise, there will be expectations mismatch and result in failure of any undertaking due to lack of trust in that relationship. We want to protect our time investment and hence, we make sure that our prospects know it. In fact, we provide them with the educational CDs, and books that help them understand the business model better so that they know the magnitude of the work involved. They also get our business reference manual which helps them understand that, success is not guaranteed and also the average IBO income is only \$115.

Usually, our prospects invest about \$60-70 for registration and all of it comes back as refund if they choose to cancel their registration within 180 days. I've helped (personally for my direct registrants and in depth), in past, providing prospects with format of letter to fax to Quixtar to cancel their registration. So, there is never a chance of them loosing money.

Having shared these - I would like FTC to consider our input on their proposed Rulemaking and its impact on us, the IBO business owners and the prospects.

- 1) I request for elimination of 7 day waiting period because, our prospects have full money back guarantee for 180 days. That is more than proposed 7 day duration. This time allows prospect to always withdraw his business ownership and get full refund if he wants - no questions asked. I see it slowing down somebody who wants to start earlier if already has information needed. As an IBO it slows down my business growth. No sales profession has such waiting period - e.g. If I want to buy a car of \$30,000 - I will be provided all the information I need but, I will not have restriction to wait. When such a large amount of spending with no money back guarantee does not have such a restriction - why should such a small investment with money back guarantee need it? In fact, a person will be restricted to only 52 people or less in terms of depth growth, due to this restriction - that is contradictory to the spirit of free enterprise system and sounds like it

is going to be a communist country Government restricting fair trade and business fearing the growth. **So, I strongly urge to eliminate this rule.**

- 2) I also request elimination of 10 references because; it invades of privacy of other business owners as I have to provide their address as well. Further, the volume of reference requests from multiple different IBOs will be hurting me who originally chose this business because I can serve my community within limited time I have after work and earn additional income through this business. Having to do with answering reference checks of other IBOs' potential prospects demands my time resulting in me losing time from the little time I have and hurts my business growth. In fact, someone may register my IBO if I provide their details. Please note that, this business has been a "no get rich quick scheme" as it involves work in building the community and serving it. With this cross references (though I do not intend to - but, if I want to), I can potentially convince the prospect of another IBO who came to me for reference check to join my business - there in resulting in chaos, relationship loss and in fact, I can earn money sitting at home by converting my references to IBOs. It becomes "get rich quick without much work". **So, I strongly urge to eliminate this rule.**
- 3) In US of A, people can sue anybody, for any reason - which ensures freedom, liberty and justice for all - it's good. But, if I have to list lawsuits on Quixtar and on all those associated - competitors may just sue us more to fear prospects from joining us from mere volume of litigations irrespective of the fact whether are not those petitions hold in the Court of Law. In fact, I do not any company that does that when I go for interview seeking their job. I choose based on my discretion. If I need more information, companies do not hesitate to provide but, if I don't ask - they do not overwhelm me with the lawsuits information which might be irrelevant for the business of the company or my employment there. Please note, I still have access to that information if I need. Same way, this information is not required to do business. It is very harmful to introduce the rule of disclosure of all the lawsuits because, that will bring entire trade down. **So, I strongly urge to eliminate this rule.**
- 4) Quixtar already discloses average monthly gross income and the business plan clearly explains with documented numbers about the income. We cannot falsely project different numbers as it would be outright contradiction to the available information and breaches trust of the prospect - without which, we cannot bring him into the team as a new IBO. So, we will not disclose incorrect income as it is counter-productive to our business. **So, I strongly urge to eliminate this rule.**
- 5) When people usually go for job interviews - they claim that, they have certain education and experience but, that does not essentially mean that they provide copies of those educational degrees and experience endorsements from past companies. Not that they do not have them - but, they do not provide those copies in their application or during the interview process. They would provide, when asked for it before joining - if needed. Without those though, they'll fail to build trust or go through employment process if they make false claims about their skills, experience, or education. Analogously, for every claim we make - we should have substantial financial documents as proof but, it should not be required to provide them to 'every' prospect. It is a risk for my 'personal identity' being going public in everyone's hands resulting in potential identity theft. **So, I strongly urge to eliminate this rule.**

Having provided my brief comments on the proposed rule making and request you to eliminate the above 5 rules - I would like to emphasize that,

- a) Quixtar has full money back guarantee for 180 days
- b) All the information is accessible to prospects from the Quixtar Company as documents
- c) Our business (and most others, for that matter) is built on trust through relationship and money is not made in 1 day by joining people forcibly but, by building business over a period of time - providing the services where needed.
- d) We cannot make prospects do business unless they want to i.e. unless they have enough information that allows them to make right decision

Given these, I do not see any value addition from new rules - either to the prospect or to us, the IBO business owners. Instead, I see these new rules hurting the business growth and the opportunity itself - for the new prospects and existing IBOs. **These rulemakings take away the potential of growth and there by, forcing couple like us to loose the benefits we have in owning our business with the support of Quixtar.** Hence, I once again strongly urge to eliminate these 5 from rulemaking.

Regards,
Srikanth Ganapavarapu